

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

FRANCHISE GROUP, INC., *et al.*,¹

Debtors.

)
) Chapter 11

)
) Case No. 24-12480 (LSS)

)
) (Jointly Administered)

)
)
Re: Docket Nos. 293, 669

**SUPPLEMENTAL DECLARATION
OF ANDREA HILL IN CONNECTION WITH
THE APPLICATION OF DEBTORS FOR ENTRY
OF AN ORDER AUTHORIZING THE RETENTION AND
EMPLOYMENT OF ERNST & YOUNG LLP AS TAX, ACCOUNTING AND
VALUATION SERVICES PROVIDER, EFFECTIVE AS OF NOVEMBER 3, 2024**

I, Andrea Hill, under penalty of perjury, declare as follows:

1. I am a partner of Ernst & Young LLP (“EY LLP”). I am duly authorized to make and submit this declaration (this “Declaration”) on behalf of EY LLP, as tax, accounting, and valuation services provider to the debtors and debtors in possession in the above-captioned cases

¹ The Debtors in these chapter 11 cases, along with the last four digits of their U.S. federal tax identification numbers, to the extent applicable, are Franchise Group, Inc. (1876), Freedom VCM Holdings, LLC (1225), Freedom VCM Interco Holdings, Inc. (2436), Freedom Receivables II, LLC (4066), Freedom VCM Receivables, Inc. (0028), Freedom VCM Interco, Inc. (3661), Freedom VCM, Inc. (3091), Franchise Group New Holdco, LLC (0444), American Freight FFO, LLC (5743), Franchise Group Acquisition TM, LLC (3068), Franchise Group Intermediate Holdco, LLC (1587), Franchise Group Intermediate L, LLC (9486), Franchise Group Newco Intermediate AF, LLC (8288), American Freight Group, LLC (2066), American Freight Holdings, LLC (8271), American Freight, LLC (5940), American Freight Management Company, LLC (1215), Franchise Group Intermediate S, LLC (5408), Franchise Group Newco S, LLC (1814), American Freight Franchising, LLC (1353), Home & Appliance Outlet, LLC (n/a), American Freight Outlet Stores, LLC (9573), American Freight Franchisor, LLC (2123), Franchise Group Intermediate B, LLC (7836), Buddy’s Newco, LLC (5404), Buddy’s Franchising and Licensing LLC (9968), Franchise Group Intermediate V, LLC (5958), Franchise Group Newco V, LLC (9746), Franchise Group Intermediate BHF, LLC (8260), Franchise Group Newco BHF, LLC (4123), Valor Acquisition, LLC (3490), Vitamin Shoppe Industries LLC (3785), Vitamin Shoppe Global, LLC (1168), Vitamin Shoppe Mariner, LLC (6298), Vitamin Shoppe Procurement Services, LLC (8021), Vitamin Shoppe Franchising, LLC (8271), Vitamin Shoppe Florida, LLC (6590), Betancourt Sports Nutrition, LLC (0470), Franchise Group Intermediate PSP, LLC (5965), Franchise Group Newco PSP, LLC (2323), PSP Midco, LLC (6507), Pet Supplies “Plus”, LLC (5852), PSP Group, LLC (5944), PSP Service Newco, LLC (6414), WNW Franchising, LLC (9398), WNW Stores, LLC (n/a), PSP Stores, LLC (9049), PSP Franchising, LLC (4978), PSP Subco, LLC (6489), PSP Distribution, LLC (5242), Franchise Group Intermediate SL, LLC (2695), Franchise Group Newco SL, LLC (7697), and Educate, Inc. (5722). The Debtors’ headquarters is located at 2371 Liberty Way, Virginia Beach, Virginia 23456.

(collectively, the “Debtors”), to supplement the disclosures contained in my initial declaration (the “Initial Declaration”), attached as Exhibit B to the *Debtors’ Application for Entry of an Order (I) Authorizing the Retention and Employment of Ernst & Young LLP as Tax, Accounting and Valuation Services Provider, Effective as of November 3, 2024, and (II) Granting Related Relief* [Docket No. 293] (the “Application”).²

2. I previously submitted the Initial Declaration in support of the Application. The disclosures set forth in this Declaration are subject to the statements and qualifications made in the Initial Declaration, which are incorporated herein by reference. The statements set forth in this Declaration are based upon my personal knowledge, upon information and belief, and upon client matter records kept in the ordinary course of business that were reviewed by me or professionals of EY LLP and EY US LLP or employees of other member firms of EYGL under my supervision and direction.

3. The Initial Declaration was filed in support of the Application. On January 7, 2025, the Court entered an order approving the Application [Docket No. 669] (the “Retention Order”). Pursuant to paragraph 8 of the Retention Order, if the Debtors and EY LLP enter into any additional engagement agreements, a notice including such additional engagement agreement(s) shall be filed with the Court and served upon the U.S. Trustee. To the extent any party objects to the additional services to be provided by EY LLP within fourteen (14) days of such notice being filed and served, the Debtors will promptly schedule a hearing before the Court. If no objections are received prior to the applicable objection deadline, pursuant to the Retention Order, EY LLP will be authorized to perform such additional services without further notice, hearing, or order of the Court. All additional services will be subject to the provisions of the Retention Order.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Initial Declaration.

4. Accordingly, by this Declaration, in accordance with paragraph 8 of the Retention Order, I am disclosing that one of the Debtors, Pet Supplies Plus, LLC (“PSP”), and EY LLP have entered into a new statement of work, dated March 18, 2025, for additional tax services (the “Statement of Work”). A copy of the Statement of Work is attached hereto as **Exhibit 1**.

5. Pursuant to the terms of the Statement of Work, EY LLP is to assist PSP’s management with preparation of carve-out tax provisions and balance sheet tax accounts. EY LLP may also assist PSP with other income tax accounting advisory assistance, including transaction accounting assistance, accounting for enactment of significant legislative or regulatory changes, adoption of new accounting standards, preparation of supporting tax workpapers, tax provision software preparation, preparation of whitepaper memoranda, and other income-tax-provision-related assistance.

6. Additionally, pursuant to the terms and conditions of the Statement of Work, EY LLP estimates that its fees for this engagement will be approximately \$30,000 to \$40,000, excluding expenses, which will be based on actual time incurred by each professional at agreed-upon rates, as set forth in the following table:

Professional Level	Hourly Rates
Partner / Principal	\$900
Managing Director	\$875
Senior Manager	\$750
Manager	\$625
Senior	\$410
Staff	\$275

7. In addition to the rates set forth above, as provided for in the Statement of Work, PSP shall also pay any potential VAT taxes, sales taxes, and other indirect taxes incurred in connection with the delivery of the Services, including any such taxes and related administrative costs that result from billing arrangements specifically requested by PSP.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my information, knowledge, and belief.

Date: April 16, 2025

/s/ Andrea Hill

Andrea Hill

Ernst & Young LLP